

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3313-01
Bill No.: HB 1311
Subject: Cities and Counties; Gambling; Department of Public Safety.
Type: Original
Date: January 21, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Trust Fund for Law Enforcement	\$0	\$244,736	\$5,365,476
Trust Fund for Fire Protection	\$0	\$244,736	\$5,365,476
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$489,472	\$10,730,952

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	(\$489,472)	(\$10,730,952)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Gaming Commission (GAM)** state this proposal would not affect the operations of their agency. The proposal would, however, redirect one half of the excursion gambling boat admission fee from the home dock city or county to the Department of Public Safety to be used for law enforcement and fire protection. GAM provided the following information regarding the license dates of the casinos and the projected revenue impact to the home dock city or counties and the Department of Public Safety in the next three fiscal years;

Casino	Home Dock	License Date	FY 2003 Admissn	Monthly Average	Reductio n FY 2003	Reductio n FY 2004	Reductio n FY 2005
Ameristar	K.C.	1/16/97	8,008,477	667,373	0	0	0
Ameristar	St. Charles	5/27/94	7,499,660	624,972	0	312,486	3,749,830
Argosy	Riverside	6/22/94	3,678,818	306,568	0	0	1,839,409
Aztar	Caruthers.	4/27/95	723,759	60,313	0	0	60,313
Harrah's	M. Heights	3/11/97	8,688,062	724,005	0	0	0
Harrah's	North K.C	9/22/94	6,546,517	545,543	0	0	2,454,944
Isle of Capri	K.C.	10/18/96	4,162,505	346,875	0	0	0
President	St. Louis	5/27/94	4,247,673	353,973	0	176,986	2,123,837
Frontier	St. Joseph / Buchanan	6/24/94	1,005,238	83,770	0	0	502,619
Mark Twain	LaGrange	7/25/2001	1,222,198	101,850	0	0	0
Isle of Capri	Boonville	12/6/2001	<u>2,887,500</u>	240,625	<u>0</u>	<u>0</u>	<u>0</u>
			<u>48,670,407</u>		<u>0</u>	<u>489,472</u>	<u>10,730,952</u>

Officials from the **Department of Public Safety, Office of the Director (DPS)** state their agency is responsible for the administrative duties associated with the law enforcement and fire protection trust funds. DPS assumes the need for one accountant III (at \$33,972 per year) to maintain fiscal responsibility over the two funds. DPS assumes a cost of roughly \$50,000 per year to the General Revenue Fund resulting from this proposal.

ASSUMPTION (continued)

Oversight assumes the administrative functions of maintaining these newly created funds within the Department of Public Safety could be performed with existing resources. Oversight's estimate of fiscal impact resulting from this proposal is, in the aggregate, relatively close to that of GAM, therefore Oversight will use GAM's estimate for this proposal.

Officials from the **City of Riverside** assume the annual losses to their city resulting from the 50 percent reduction in admission fee revenue would be roughly \$3 million per year.

Officials from the **City of St. Joseph** assume annual losses of \$350,000 for the City and \$350,000 for the County.

Officials from the **City of Boonville** state this proposal would have no immediate affect on revenues, since their boat recently opened and therefore the first affect would occur in 2011. The City of Boonville estimates the loss in revenue starting in 2011 would be approximately \$750,000.

Officials from the **City of LaGrange** assume this proposal would cause a reduction in admission fee revenue to their city.

Officials from the **City of North Kansas City** assume annual losses to their city would be about \$3.8 million.

Officials from the **City of Caruthersville** state this proposal would result in a loss in excess of \$407,000 in revenue for the City.

Officials from the **City of Maryland Heights** state this proposal would result in an annual loss of \$5.5 million to their city.

Officials from the **City of St. Louis** state this proposal would result in an annual loss, beginning in FY 2005, of \$2.1 million from the City's capital fund.

Officials from the **City of St. Charles** state this proposal would result in an loss of revenue to their city of \$1.5 million in FY 2004, and \$3.0 million in FY 2005 and going forward.

Officials from the **City of Kansas City** state the reduction in revenue to the City would first occur in late 2006 and would total over \$6.4 million per year.

ASSUMPTION (continued)

Officials from the **Office of Administration - Budget and Planning** did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
TRUST FUND FOR LAW ENFORCEMENT			
<u>Income</u> - 25 cents of admission fee to Missouri gaming boats	<u>\$0</u>	<u>\$244,736</u>	<u>\$5,365,476</u>
ESTIMATED NET EFFECT TO TRUST FUND FOR LAW ENFORCEMENT	<u>\$0</u>	<u>\$244,736</u>	<u>\$5,365,476</u>
TRUST FUND FOR FIRE PROTECTION			
<u>Income</u> - 25 cents of admission fee to Missouri gaming boats	<u>\$0</u>	<u>\$244,736</u>	<u>\$5,365,476</u>
ESTIMATED NET EFFECT TO TRUST FUND FOR FIRE PROTECTION	<u>\$0</u>	<u>\$244,736</u>	<u>\$5,365,476</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2003 (10 Mo.)	 FY 2004	 FY 2005
HOME DOCK CITIES AND COUNTIES			
<u>Loss</u> - reduction in gaming boat admission fee revenue	<u>\$0</u>	<u>(\$489,472)</u>	<u>(\$10,730,952)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

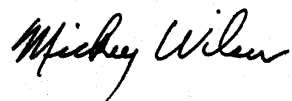
This proposal reallocates half of the home-dock portion of the admission fee for excursion gaming boats after 10 years from the date when an excursion boat first admits patrons. At that time, 50 cents will continue to go to the home dock city or county. Twenty-five cents will go to the trust fund for law enforcement and twenty-five cents will go to the trust fund for fire protection. The Director of the Department of Public Safety will administer these trust funds.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Gaming Commission
Department of Public Safety
City of Kansas City
City of North Kansas City
City of Riverside
City of Boonville
City of St. Louis
City of Caruthersville
City of St. Joseph
City of St. Charles
City of LaGrange
City of Maryland Heights

NOT RESPONDING: **Office of Administration - Budget and Planning**



Mickey Wilson, CPA
Acting Director
January 21, 2002